

Minneapolis Community Development Agency

Request for City Council Action

Date: May 20, 2002

To: Council Member Lisa Goodman, Community Development Committee
Council Member Barbara Johnson, Ways and Means/Budget Committee
Refer to: MCDA Board of Commissioners

Prepared by Jim White, Senior Project Coordinator, 612-673-5170

Approved by Chuck Lutz, MCDA Interim Executive Director _____

Subject: Authorization to Apply to the Metropolitan Council Livable Communities Demonstration Account for an Opportunity Grant for The Turtle Bread Company Project at 2000 Nicollet Avenue

Previous Directives: On November 10, 1997, the City Council gave concept approval for the creation of a tax increment district and a redevelopment district. On January 21, 2000, the City Council and the MCDA Board of Commissioners approved the Nicollet-Franklin Tax Increment Finance District and the Nicollet-Franklin Hazardous Substance Subdistrict. On February 5, 2001, the City Council approved an allocation of \$460,000 from the Commercial Corridors set-aside for the acquisition of 2000 Nicollet Avenue. On April 11, 2002, the MCDA Board of Commissioners authorized staff to initiate project analysis.

Ward: 6

Neighborhood Group Notification: The Whittier Alliance, the Whittier Business Association, the Nicollet Avenue Business Association and the Stevens Square Community Organization (SSCO) are fully supportive of this project.

Consistency with *Building a City That Works*: Supports Goal 3, Strategy C, by redeveloping obsolete commercial areas into uses more compatible with their neighborhoods and in ways that enhance the unique urban character of the commercial corridors, and Goal 4, Strategy 1, cleaning up contaminated property.

Comprehensive Plan Compliance: This project adheres by increasing housing choices for residents, promotes mixed-income housing as part of a mixed-use development and places high density new housing on major transportation and transit corridors.

Crown Roller Mill,
105 Fifth Ave. S., Suite 200
Minneapolis, MN 55401-2534
Telephone: (612) 673-5095
TTY: (612) 673-5154
Fax: (612) 673-5100
www.mcda.org

Zoning Code Compliance: This project will comply with all applicable zoning code requirements.

Impact on MCDA Budget: (Check those that apply)

- ☒ No financial impact
- ☐ Action requires an appropriation increase to the MCDA Budget
- ☐ Action provides increased revenue for appropriation increase
- ☐ Action requires use of contingency or reserves
- ☐ Other financial impact (Explain):

Living Wage / Business Subsidy: Not applicable.

Job Linkage: Not applicable.

Affirmative Action Compliance: Will comply.

RECOMMENDATION:

City Council Recommendation: The Interim Executive Director recommends that the City Council authorize:

1. The Minneapolis Community Development Agency to apply to the Metropolitan Council Livable Communities Demonstration Account for an Opportunity Grant for predevelopment costs for the Turtle Bread Company Project; and
2. Forward this report to the MCDA Board of Commissioners.

MCDA Board Recommendation: Approve the attached resolution authorizing the Interim Executive Director to apply to the Metropolitan Council Livable Communities Demonstration Account for an Opportunity Grant for predevelopment costs for The Turtle Bread Company Project.

Introduction

The Metropolitan Council provides opportunity grants through its Metropolitan Livable Communities Fund to fund local initiatives to develop project-specific and site-specific land use plans. Current funding in the amount of \$500,000 is available with maximum awards of \$75,000 and requires a one to one local contribution. The Metropolitan Council wishes to be a funding partner in proposals that:

- Plan to demonstrate compact and connected land use patterns that are linked to transit where available, or build capacity for transit service, and support walkable neighborhoods.

- Propose a mix of uses, including a mix of housing types and costs, and an economic mix near commercial, civic or other uses that facilitate daily needs and community activities.
- Plan to protect and enhance natural resources.
- Show potential for evolving to projects eligible for future LCDA funding in the development category.

The Project - The Turtle Bread Company, 2000 Nicollet Avenue

Mr. Harvey McLain, owner of Turtle Bread is the project developer. He proposes to build a 6-story, 80,000 square foot mixed-use building at the corner of Nicollet and Franklin avenues consisting of two levels of underground parking, three live theaters, a restaurant and bakery production facility, and three levels of rental housing (20% affordable) with a rooftop greenhouse. At completion, the project will contain 32-36 units of housing and employ 50 full-time and 50 part-time employees. The MCDA is requesting \$75,000 for a market study of the Nicollet/Franklin node and preparation of detailed development plans for this project. Mr. McLain has received a \$50,000 Empowerment Zone loan as a partial matching fund source and will personally contribute the additional \$25,000 needed to complete the match requirement.

The Whittier and Stevens Square neighborhoods are very supportive of this project's impact on the Nicollet/Franklin node and surrounding communities.

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